

EXHIBIT C

Telephone (713) 227-1744
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440 Louisiana Street, Suite 590
Houston, Texas 77002

WALLACE & ALLEN
LLP

November 27, 2023

Chief Eddie Garcia
Chief of Police
Devon A. Palk
Major of Police
ATTN: Susana Villalpando, Executive Assistant
1400 Botham Jean Boulevard
Dallas, Texas 75215

Via Email: susana.villalpando@dallaspolice.gov

Dear Chief Garcia and Major Palk:

I am in receipt of the attached letter that has been provided to some, or perhaps all, sexually oriented businesses in Dallas. One of my clients, XTC Cabaret (Dallas), Inc., will not operate as a sexually oriented business as that term is defined in the City of Dallas Ordinances after 2:00 a.m.

At or before 2:00 a.m., all sexually oriented business activity will stop, but the establishment will remain open and will operate as a restaurant serving food and non-alcoholic beverages to those customers who wish to remain on the premises. There will be, from time to time, artistic shows performed, but those artistic shows will not include a “dance or any similar live performance” and will not include nudity. Furthermore, the artistic shows will not include adult cabaret entertainment that is intended to provide sexual stimulation or sexual gratification, and the artistic shows will not be distinguished by or characterized by an emphasis on matter depicting, simulating, describing, or related to specified anatomical areas or specified sexual activities. Instead, the business establishment will operate mainly as a restaurant after 2:00 a.m. – it will offer the same menu items and drink selections that it does before 2:00 a.m. but there will be no adult cabaret entertainment.

The attached letter seems to read that if your department finds the business establishment open even one minute after 2:00 a.m., that criminal sanctions will be sought by the Dallas Police Department even if the business establishment is not offering, providing, or allowing for any adult cabaret entertainment. This we want to avoid and is the reason this letter is being sent to you in advance of the November 30, 2023, enforcement date. Should your department hold the position that, regardless of what is going on inside, XTC Cabaret (Dallas), Inc. must close by 2:00 a.m. or face criminal and/or civil sanctions, I would appreciate being told in advance.

XTC Cabaret (Dallas), Inc. is sending the letter in good faith and would respectfully request a reply, even if only by telephone, before November 30, 2023.

Respectfully yours,

Casey T. Wallace
Counsel for XTC Cabaret (Dallas), Inc.

ATTACHMENT



November 21, 2023

City of Dallas

Dear Sexually Oriented Business License Holder, Owner, Manager, or Person in Charge:

On January 26, 2022, the Dallas City Council passed Ordinance Number 32125, an ordinance amending Chapter 41A "Sexually Oriented Businesses" of the Dallas City Code. This ordinance provides that sexually oriented businesses may not operate between 2:00 a.m. and 6:00 a.m. each day. This ordinance also provides that a sexually oriented business license shall be suspended for a period not to exceed 30 days for a violation of the hours of operation regulation. This ordinance also provides a penalty not to exceed \$4,000.00 and confinement in jail not to exceed one year for violating a provision of this ordinance. **The Dallas Police Department will begin enforcement of the ordinance effective November 30, 2023.**

As the license holder, owner, manager, or person in charge of this business, we hope you will take all appropriate action to ensure compliance with Chapter 41A of the Dallas City Code regarding the hours of operation regulation and ensure that your business does not operate between the hours of 2:00 a.m. and 6:00 a.m.

Dallas Police Department is notifying you that it will seek criminal charges against you if it is found that you are in violation of Section 41A-14.3, "Hours of Operation," of the Dallas City Code. Pursuant to Dallas City Code, Section 41A-4(e), if the licensee has applied for, and received, both a Sexually Oriented Business license and a Dance Hall license, the applicant must comply with the hours of operation requirement found in Section 41A-14.3(a) of the Dallas City Code. The possession of a Late-Hours permit issued pursuant to Section 14-3.1 of the Dallas City Code does not exempt the licensee of a Sexually Oriented Business license from the provisions of Section 41A-14.3(a) of the Dallas City Code.

Additionally, the Chief of Police shall suspend a Sexually Oriented Business License for a period not to exceed 30 days if the Chief of Police determines that a licensee, an operator, or an employee has violated or is not in compliance with Section 41A-14.3 "Hours of Operation" of the Dallas City Code.

Finally, the Chief of Police shall revoke a Sexually Oriented Business License if a cause of suspension in Section 41A-9 occurs, and the license has been suspended within the preceding 12 months. If you have questions, contact the Special Investigations Division Vice Licensing Squad at (214) 671-3230 to discuss this matter. Thank you for your anticipated cooperation.

Sincerely,

**EDDIE GARCIA
CHIEF OF POLICE**

A handwritten signature of Eddie Garcia.

Devon A. Palk
Major of Police
Special Investigations Division
Dallas Police Department